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CENTRAL INTELLIGENCE AGENCY

9 February 1952

SUBJECT: TERMS OF REFERENCE: NIE-35/1: PROBABLE DEVELOPMENTS IN
INDOCHINA THROUGH MID-1952
(For Board consideration)

THE PROBLEM

To estimate probable developments in Indochina through mid-1952 with particular emphasis on probable Chinese Communist courses of action in that area.

CONCLUSIONS

1. We believe that the Franco-Vietnamese forces will continue to hold substantially their present military positions in Indochina during the period of this estimate. If present political trends persist, however, we believe that there will be a slow deterioration of the overall Franco-Vietnamese military and political position.

2. We believe that the French will continue their war effort in Indochina but, because of the critical nature of their present economic position and because of their military commitments in Europe, they will hope to reduce their commitments in Indochina by seeking additional US

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financial assistance and an "internationalization" of the defense of Indochina. We further believe that, although the French are probably even now seriously considering a negotiated settlement with the Communists and a gradual withdrawal from Indochina, they will not actually adopt this course unless outside financial and military assistance should fall far short of French requirements.

3. If the Chinese Communists should launch an invasion of Indochina, they have the capability to support logistically 150,000 troops in such an operation, regardless of commitments in Korea, and could probably force the Franco-Vietnamese forces to evacuate Tonkin before effective assistance could be brought to bear.

4. However, we believe that although they have the capability, the Chinese Communists will not invade Indochina during the period under review, because of considerations of world Communist strategy, present Viet Minh successes, the relatively secondary importance of Indochina to Peiping, and Chinese Communist concern over possible Western retaliation against China. We believe that, should hostilities in Korea be intensified and the war expanded, the probability that the Chinese Communists would invade Indochina would increase. We are unable to estimate, however, whether in this last circumstance the Chinese Communists would actually intervene in Indochina.

5. We believe that the Chinese Communists will continue their present policy of support to the Viet Minh, will gradually increase the

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scale and nature of this logistic and advisory assistance, and, if necessary to meet Viet Minh manpower requirements, will begin to incorporate Chinese Communist military personnel in Viet Minh combat units.

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DISCUSSION

THE CURRENT SITUATION IN INDOCHINA

The Current Military Situation

1. The current military situation in Indochina remains one of stalemate.

a. Heavy fighting continues in Tonkin. Since the publication on 7 August 1951 of NIE-35: "Probable Developments in Indochina During the Remainder of 1951," the French have extended their Red River delta perimeter around Hanoi and Haiphong westward to Hoa Binh, but the Viet Minh have been vigorously counterattacking at various points since early December. (See Map #1.) In the Hanoi-Haiphong area of Tonkin, 115,000 Franco-Vietnamese regular troops currently confront an estimated 97,500 Viet Minh regular troops. (See Annex A.)

b. Elsewhere in Indochina, guerrilla-type warfare continues and the Viet Minh still control northern Tonkin, major portions of the Annam coast and parts of Cochinchina and Cambodia. (See Map #2.)

c. The French naval units continue to dominate Indochina waters. Although Viet Minh use of antiaircraft weapons has recently increased, the French maintain air supremacy over Indochina.

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2. The most significant recent military development has been the vastly increased vigor, coordination, and effectiveness of Viet Minh attacks along the French perimeter in Tonkin.

a. Substantially improved Viet Minh tactics, communications, and weapons indicate that Chinese Communist advisory, training, and logistic assistance increased substantially in the latter part of 1951 and is probably now at an all-time high. Approximately 15,000 Chinese Communist military advisers and technical personnel are believed to be with the Viet Minh in Indochina. There is no firm evidence, however, of Chinese combat personnel either in units or as individuals serving with the Viet Minh.

b. One full Viet Minh regiment and elements of five others have infiltrated Franco-Vietnamese lines and are now conducting harassing operations within the Tonkin perimeter.

c. Although the Viet Minh have suffered heavy casualties and have been unable to achieve a major victory in Tonkin, they appear to be replacing their losses. The French have committed almost all of their Tonkin reserves.

3. The combat effectiveness of the French forces remains high. The combat effectiveness of the Associated States' forces, except

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for certain operational battalions, is not yet adequate to fit them for combat operations, and these forces primarily perform static defense roles.

4. US MDAP aid has been of critical importance to the regular French forces during recent operations. However, the attrition rate in French equipment, as in the personnel of the mobile reserves, has been extremely costly.

The Current Political Situation

5. There has been no significant improvement in the political situation within Vietnam, the most important of the Associated States, since the publication of NIE-35.

a. There is a continued reluctance by the French to relinquish ultimate control of political and economic affairs. This, together with the lingering Vietnamese suspicion of any French-supported regime, has deprived the government of popular support.

b. There is an acute dearth of experienced Vietnamese administrators. This has presented the government with difficult problems in establishing an efficient government.

c. Factional and sectional groups have not yet united in a concerted national effort. Moreover, the recent growth

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of an anti-French, anti-Viet Minh "third force" further undermines public support for the Vietnam government and its effort to create a National Army.

d. Finally, neither Chief of State Bao Dai nor Premier Tran Van Huu has inspired popular confidence or demonstrated dynamic leadership.

6. While very little is known about internal developments in the Viet Minh, it is believed that, on the whole, the political situation of the Viet Minh has somewhat improved.

a. The position of the Viet Minh was undoubtedly weakened by the November defeat at Hoa Binh, the heavy losses suffered in the December-January attacks on the French perimeter, and the continuing shortages of food.

b. However, these factors have probably been more than offset by the expanded scale of Chinese Communist assistance, the debilitating effect which the sustained Viet Minh offensive has had upon the French, the recent death of General de Lattre, and the increasing signs of a weakening Franco-Vietnamese will to resist. Viet Minh leaders are probably more confident of eventual military or political victory in

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Indochina than they have been since General de Lattre's arrival in the fall of 1950.

c. Despite reports to the contrary, Ho Chih Minh is probably still the most important Viet Minh figure. Although Ho is probably opposed to a Chinese Communist invasion of Indochina, at least partly because of fear of a concomitant reduction in the influence of the Viet Minh, there is no evidence of serious friction between the Viet Minh and the Chinese Communists. The Viet Minh continues to be organized more completely into a Communist regime.

MILITARY CAPABILITIES OF COMMUNIST AND FRANCO-VIETNAMESE FORCES IN INDOCHINA

Assuming Present Chinese Communist Assistance to the Viet Minh Continues at Present Levels

7. In the event that the present scale and nature of Chinese Communist assistance to the Viet Minh is continued but not increased, the French forces will probably be able to maintain approximately their present military positions in Tonkin. However, unless the political situation within Vietnam improves, a development which appears doubtful, the over-all French-Vietnam position may gradually deteriorate, possibly to a point of eventually endangering the military situation.

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a. The Viet Minh will probably be able to continue, though not at the present accelerated tempo, their currently successful tactics of causing severe attrition to French personnel and equipment. In addition, the Viet Minh will probably be able to recapture the Hoa Binh area and to continue their infiltration of the French lines, but will probably not be able further to decrease the French perimeter in Tonkin.

b. Viet Minh over-all combat effectiveness will probably continue to increase.

c. Although no French reinforcements can be expected, French replacements during the period of this estimate will probably make up the losses sustained in recent operations in Tonkin. In addition, French-Vietnamese capabilities will probably slowly increase through continued receipt of US MDAP assistance. The French Navy will be able to maintain its present control over Indochina waters. The French Air Force will maintain its present air supremacy over Indochina, although it will be increasingly hampered by Viet Minh anti-aircraft.

d. Despite unenthusiastic public support, the Vietnamese National Army program can be expected slowly to increase French-Vietnamese military capabilities. Plans for 1952 call

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for a National Army of 80,000 regular troops, augmented by approximately 97,000 Vietnamese National Guard and Militia troops. However, fulfillment of this goal is dependent upon French and US financial and logistic decisions yet to be made.

Assuming an Expansion of the Present Level of Chinese Communist Assistance

8. In the event that the Chinese Communists increase the scale of their present materiel and technical assistance and, in addition, incorporate some combat troops into Viet Minh units, the Viet Minh should be able to cause a progressive contraction of the French defense lines in Tonkin.

a. Even assuming a continuance of heavy commitments in Korea, the Chinese Communists would face little difficulty in providing technical and logistic assistance to the Viet Minh. The principal limitation upon increased assistance would be the availability of materiel, particularly heavy equipment. This limitation would be removed if the scale of Soviet assistance to the Chinese Communists were correspondingly increased.

b. If the number of Chinese Communist volunteers serving with the Viet Minh reached as many as 50,000, the Viet

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Minh would probably be capable of taking Hanoi. If Hanoi should fall and substantial outside assistance were not immediately forthcoming, French military and air forces would probably be forced to evacuate Tonkin.

c. Unless the Chinese Communist Air Force intervened, the French air capabilities would not be significantly affected. French naval capabilities would probably not be affected by any foreseeable Chinese Communist assistance short of large-scale invasion (at which time French naval units and bases would be presumably subjected to Chinese Communist air attacks).

Assuming a Large Scale Chinese Communist Invasion of Indochina

9. In the event that the Chinese Communists undertook a large-scale invasion of Indochina, the French would probably be forced to evacuate Tonkin before any effective assistance could be brought to bear.

a. Of the 300,000 troops available in South China for an invasion of Indochina, the Chinese Communists could probably support logistically 150,000 troops in such an invasion. Logistic deficiencies would, however, limit the operations of these troops to a series of local offensives, each of

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about one week's duration. The Chinese could conduct such operations regardless of events in Korea. (See Annex B.)

b. The defeat of the French would be precipitous should the CCAF be committed to air operations in the Tonkin delta, since the CCAF, employing only its piston-type aircraft, could achieve superiority over the present operational French Air Force. The Chinese Communists would probably not commit jet-type aircraft in Indochina so long as war in Korea continued.

c. Following a French evacuation from Tonkin, the combined Sino-Viet Minh forces would be able to undertake extensive preparations from a Tonkin base for further operations against any French and allied forces elsewhere in Indochina.

FRENCH INTENTIONS IN INDOCHINA

Indications of French Intentions

10. Although the French are continuing their war effort in Indochina, serious economic difficulties have stimulated a growing official attitude that, even with present US aid, France is in an impossible situation where it cannot simultaneously support

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major military efforts in both Europe and Asia, and that France must therefore alter either its European or Far Eastern policy accordingly.

a. The French estimate that, on the basis of presently projected US financial assistance, their maximum practical military budget will fall \$800 million short of the 1952 military requirements of approximately \$3 billion for NATO and \$1 billion for Indochina. Because of the shortage of French Treasury funds, credits actually budgeted and voted for Indochina may not be available. Continuing price rises in France, moreover, will probably reduce the real level of funds already allocated. Finally, domestic political differences in France will preclude timely and effective economies which might close the deficit gap.

b. Resort to inflationary financing as a means of financing French military requirements is not likely so long as there remains some hope of reducing French commitments through a new "solution" in Indochina.

11. There have been indications that, because of the overriding considerations of France's position in Europe and relative power vis-a-vis a reviving Germany, France is considering a change

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in policy that will provide for a reduction of its commitments in Indochina as the lesser of evil alternatives for solving its present economic and military dilemma. The two principal avenues by which France apparently is seeking to achieve this reduction of its commitments are either by shifting much of the burden for the defense of Indochina to the US, or by negotiating a settlement with the Viet Minh and the Chinese Communists.

a. The French have already requested that the conflict in Indochina be "internationalized" and that the defense of Indochina no longer remain the "national" obligation of France alone. France has asked for a US-UK commitment to defend Indochina and for joint defense measures in Southeast Asia.

b. The second of the above approaches has recently been voiced as follows by Foreign Minister Schuman: "If an armistice can be concluded under honorable conditions, France will not hesitate to make peace." It is likely that sentiment in France for a negotiated settlement will continue to grow and will probably be linked to an over-all Far Eastern political "solution" with the Chinese Communists.

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Probable French Courses of Action

12. French consideration of a possible gradual withdrawal from Indochina genuinely reflects current official thinking and should not be interpreted merely as a diplomatic maneuver. While such a withdrawal and/or a negotiated settlement with the Communists is an increasingly possible development, we believe that it is unlikely during the period under review.

a. The war in Indochina has caused a substantial military and financial drain on France and, as a distant and costly war which, even if won, promises few tangible rewards, has contributed to the postwar political instability in France and has had a debilitating effect on official and popular French morale. The French are also confronted with the fact that their efforts to resist Communist pressure in Indochina are not given enthusiastic support by the Associated States, whose people do not recognize much of a personal stake in the war effort and apparently mistrust French motives more than they recognize the Communist danger. However, these considerations tending to suggest a French withdrawal from Indochina are probably outweighed for the present by the following factors: the intangible but powerful factor of prestige, the fear that withdrawal from Indochina would

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result in the dissolution of the French Union, the concern over the fate of French nationals and investments in Indochina, and the feeling (on the part of some officials, at least) that no negotiated settlement with the Communists can be achieved that would lastingly salvage anything for the French or would result in a fundamental local or international solution.

13. It is therefore probable that France will continue its war effort in Indochina while at the same time vigorously seeking US financial aid and an "internationalizing" of the Indochina war.

a. It is not likely that France, as part of its policy to "internationalize" the problem of Indochina, will invoke the aid of the UN unless an open intervention by the Chinese Communists has already taken place, since any such approach prior to an invasion would spell the end of French supremacy in Indochina.

b. It is not likely that France will grant or promise any actual equality of status to the Associated States, unless forced to this course by a deteriorating military situation.

c. French policy toward Indochina will be critically affected by whether US financial assistance closes the gap

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between French obligations and available funds, and US military materiel and personnel are pledged to the defense of Indochina. Should US financial or military assistance fall far short of French expectations, and in the absence of clear improvement in the French position, French determination and ability to resist in Indochina could be expected progressively to weaken. There would then be a serious possibility that France, as a last resort, would attempt to negotiate a settlement with the Communists.

COMMUNIST INTENTIONS IN INDOCHINA

Viet Minh Intentions

14. Major Viet Minh decisions with respect to military operations are probably subject to over-all direction given by world Communist leadership and to the scale and nature of assistance given by Communist China. Within these limitations, the Viet Minh can be expected to continue and gradually to increase their tactics of attrition and infiltration in Tonkin, and terrorism and guerrilla activity elsewhere in Indochina. It is doubtful that large-scale offensives on the current scale will be maintained during the period of this estimate.

15. Indications of Chinese Communist Intentions. There has been a recent build-up of Chinese Communist troop strength and

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supplies along the Indochina border. In addition, other military indications point toward increased Chinese Communist activity in Indochina.

a. The present estimate of _____ troops within _____ miles of the border compares with the _____ troops in this area at the time NIE-35 was prepared. (July 1951)

b. It is believed that the many known Communist supply depots on both sides of the Indochina border now contain supplies far in excess of foreseeable Viet Minh requirements.

c. There has been considerable improvement of transportation routes and facilities from South China into Indochina.

d. The extent to which Viet Minh military capabilities have recently improved testifies to the increased materiel and advisory assistance being given by the Chinese Communists.

e. Four of the five Viet Minh infantry divisions are at present deployed along the western part of the Tonkin perimeter; the northern section of the defense line facing the routes of approach from China to the Delta area is weakly held.

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f. A planning and administrative headquarters for the recruiting of a Chinese "volunteer force" may have been established in South China.

g. Numerous unconfirmed reports claim an increase in CCAF activity, improvement in airfields, and deployment of additional aircraft, including jets, in South China. There is no reliable intelligence, however, to indicate that CCAF units are any closer to Indochina than Canton and Hankow. Both of these cities are beyond fighter range of the Indochina border.

h. Neither recent Communist propaganda nor other recent non-military developments provide firm indications of Chinese Communist intentions in Indochina.

16. While the increased Chinese Communist capabilities in South China suggest preparations for an invasion of Indochina, present evidence does not indicate that such an invasion is necessarily imminent. Furthermore, the over-all Communist position in the Far East would appear to make improbable a Chinese Communist large-scale invasion of Indochina during the period of this estimate.

a. Current Communist tactics in Indochina are attaining considerable success.

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b. It is estimated that world Communist leadership desires to avoid a general war at this time.

c. Recent Western moves have probably made world Communist leadership aware that the West, and in particular the US, may react vigorously should Communist China invade Indochina. This fear of retaliation is probably somewhat offset by Communist recognition of divided opinions in the West as to the merits and timing of such retaliation. On balance, however, fear of drastic retaliatory action against the mainland of China is probably sufficient to be a paramount factor dissuading the Chinese Communists from openly intervening in Indochina.

d. Indochina is an area of secondary importance to the Communists in comparison to North China and Manchuria.

17. However, the Communists probably estimate that retaliatory action would be taken only in the event of a clear and substantiated Chinese Communist invasion. Thus, the Chinese Communists will probably seek to pursue the maximum course in Indochina short of actual intervention.

a. Chinese Communist technical and logistic assistance will continue on an increasing scale. In the event that Viet Minh manpower is not sufficient to continue desired operations, an increasing number of Chinese "volunteers" can be expected.

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b. The tempo, scale, and nature of Chinese Communist support will be conditioned only by Chinese Communist capabilities to make such support available and by Peiping's (and probably Moscow's) estimate of the danger of provoking effective Western countermeasures.

18. It is probable that, unless the war in Korea should be intensified and expanded, the Chinese Communists will not launch an invasion of Indochina during the period under review. We are unable to estimate what the effect upon developments in Indochina would be of an expanded Korean war.

a. In the event an armistice is concluded in Korea, the present Chinese Communist build-up along the Indochina border could increase the Communist bargaining position for future negotiations for an over all political settlement in the Far East. This pressure against Indochina could in particular, by making the French more receptive to proposals which promised an early settlement in the Far East, be a useful Communist tool for dividing the Western powers.

b. In the event that present negotiations in Korea continue during the period of this estimate, or that hostilities should be renewed but not expanded beyond Korea, an invasion of Indochina by the Chinese Communists would nullify the value to the Communists of all negotiations to date and in addition would contradict the pattern

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thus far set in Korea by the Communists, that of demonstrating a seeming desire to avoid an extension of hostilities.

c. In the event that hostilities in Korea should be both renewed and expanded, the probability that the Chinese Communists would invade Indochina would become appreciably greater. We are unable to estimate, without prior knowledge of the manner in which the Korean war might conceivably be expanded, whether the Chinese Communists would actually intervene in Indochina.

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APPENDIX A

OPPOSING FORCES IN INDOCHINA AS OF 1 FEBRUARY 1952

Franco-Vietnamese Forces:

French Ground Forces	185,000
Armed Forces of Associated States	77,000
Auxiliary Troops	104,500
Semi-military forces (railway guards, etc.)	76,500
French Air Force	6,820
French Naval and Naval Air Force	<u>11,256</u>
TOTAL	461,076

Viet Minh Forces:

Viet Minh Regular Forces	130,000 (Est)
Regional Militia	70,000 (Est)
Irregular Forces	<u>70,000 (Est)</u>
TOTAL	270,000 (Est)

Opposing Regular Ground Forces in Tonkin

Franco-Vietnamese Troops	115,000
Viet Minh Troops	97,500 (Est)

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APPENDIX B

CHINESE COMMUNIST CAPABILITIES TO INTERVENE IN INDOCHINA

1. Even assuming continuing heavy commitments in Korea, the Chinese Communists would face little difficulty in providing technical and logistic assistance to the Viet Minh. The principal limitation upon increased assistance would be the availability of materiel, particularly heavy equipment, though this limitation would be removed if the scale of Soviet assistance to the Chinese Communists were correspondingly increased.

a. The Chinese Communists should be capable of continuing and gradually expanding the scale and nature of present supplies to the Viet Minh of light arms and ammunition, vehicles, some field and antiaircraft artillery, and communication and medical equipment, but would not be capable of significantly expanding the supply of heavier equipment.

b. An armistice in Korea, or a prolonged lull in hostilities there, would greatly increase this capability.

2. There are an estimated 300,000 Chinese Communist troops south of the Yangtze which, regardless of events in Korea, could be committed to an invasion of Indochina. Of this number, 150,000 troops of the 4th and 2nd Field Armies are located within 100 miles of the Indochina border.

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b. The combat efficiency of the Chinese Communist troops in South China available for an invasion of Indochina is probably equal to that of the Chinese Communist troops now in Korea, with due allowance for a disparity in supporting weapons.

c. So long as the Korean war continues, the Chinese Communists would not be capable of committing any significant amount of artillery for an invasion of Indochina. The infantry forces, however, are probably adequately equipped with normal infantry light weapons.

d. The training and experience of these troops is considered adequate to allow them to attempt an invasion. Korean veterans are believed now in the ranks of these forces.

e. The over-all effectiveness of the 4th Field Army units, located along Tonkin's northeast border, is probably superior to those of the 2nd Field Army, located on Tonkin's northwest border.

3. Of the 300,000 troops available in South China for an invasion of Indochina, the Chinese Communists could probably support 150,000 troops for such an invasion, regardless of events in Korea.

a. Deficiencies in supply facilities would limit Chinese Communist logistic support of these 150,000 troops to a series of local offensives, each of about one week's duration, between which offensives time would be needed for replenishment of supplies and repair of transportation facilities.

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b. The principal restraining factors upon the size of the invading force which the Chinese Communists could logistically support are the limited transportation routes and facilities in the border area.

c. Although relatively little is known regarding Chinese Communist stockpiling along the Indochina border, the current volume of supplies moving into Tonkin is believed considerably to exceed current Viet Minh requirements.

d. Although a significant decrease in Chinese Communist commitments in Korea would greatly increase the quantity of troops and materiel available for operations in Indochina, transportation restrictions would still prevail.

4. Regardless of events in Korea, the Chinese Communists probably have the capability quickly to render ineffective the French Air Force in Tonkin.

a. The Chinese Communists would probably not divert any of their jet-type aircraft to Indochina so long as hostilities continue in Korea. The Chinese Communists have approximately 800 piston-driven aircraft, the majority of which could be committed to an invasion of Indochina, regardless of events in Korea. This piston-driven force compares to 385 French Air Force and Naval aircraft in all of Indochina.

b. The Viet Minh have made no effort to prepare the few airfields within their territory for operations. There are,

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however, 22 suitable airfields within 40 nautical miles of Hanoi which could be made available for use by the CCA¹ in conducting air operations against the Tonkin Delta. This compares with ____ French airfields in Tonkin, all of which are especially vulnerable to attack.

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